Q2 Financial Results Summary

Ended September 30, 2025

MS-Japan

TSE-Prime Market
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(IR website: https://ir.jmsc.co.jp/en/index.html)

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① Information & Inquiries

For further information or to arrange an interview, please contact us via the application form below.
English interviews are available without an interpreter.
https://cloud.swcms.net/ms-japanPublic/en/Inquiry.html

Additionally, please refer to the following for details about our business.
https://ir.jmsc.co.jp/en/outline.html

② Financial Result Highlights

- Consolidated revenue and EBITDA both reached record highs for the first half of the fiscal year.

Consolidated revenue reached a record high of ¥3.91 billion, up 1.3% year-on-year, and EBITDA also marked a record high of ¥1.13 billion, up 0.1% year-on-year.

- All levels of profit remained solid, with progress rates exceeding 50% of the full-year budget.

Profit at all levels remained solid, achieving progress rates above 50% of the full-year plan: operating profit at 51.0%, ordinary profit at 54.5%, and net income attributable to the parent company at 55.5%.

- Domestic recruitment business revenue reached a record high for the first half.

Revenue for the second quarter amounted to ¥1.132 billion, up 5.2% year-on-year, resulting in cumulative revenue of ¥2.242 billion, up 2.1% year-on-year. The company maintained its growth trend for the third consecutive quarter.

- Revenue from the overseas recruitment business showed steady growth.

The Australian subsidiary achieved revenue growth of +7.7% year-on-year on an AUD basis, showing steady performance despite a challenging macroeconomic environment. Net income for the first half also increased by +3.7%, continuing to contribute to the company's overall cash generation since the acquisition.

③ Q2 Financial Performance Overview (Unit: million Yen)

	Six Months Ended Sep 30		
	FY25	FY26	Growth %
Total Revenue	**3,868**	**3,918**	**1.3%**
MS Agent revenue	2,196	2,242	2.1%
Manegy revenue	127	119	(6.9%)
MS Jobs revenue	55	53	(4.1%)
Overseas revenue	1,487	1,502	1.0%
Cost of sales	791	868	9.7%
EBITDA	**1,137**	**1,138**	**0.1%**
Operating profit	**903**	**912**	**1.0%**
Ordinary profit	985	963	(2.2%)
Net income	**610**	**609**	**(0.1%)**
Net income attributable to the parent	**589**	**589**	**(0.1%)**

-Recruitment Agency Service "MS Agent" overview

Revenue for the Recruitment Agency Service "MS Agent" in the second quarter was ¥1.132 billion (+5.2% YoY), bringing the cumulative total to ¥2.242 billion (+2.1% YoY).

In the previous fiscal year, from summer onward, the rapid adoption of generative AI temporarily reduced the efficiency of search-based registrant acquisition measures, resulting in a temporary decline in both active registrants and new acquisitions, and leading to a downward QoQ revenue trend.

However, through prompt countermeasures—such as initiatives to address generative AI impacts, a review of acquisition strategies, and strengthened collaboration with "Manegy"—we successfully reversed the trend. Efficient registrant acquisition has driven recovery and maintained a growth trajectory for three consecutive quarters. As a result, progress toward the full-year revenue target of ¥4.514 billion (+6.5% YoY plan) reached 49.7%, indicating steady performance.

Given the ongoing seller's market, the company has continued to focus not on the total number of job openings, but rather on acquiring listings in high-placement-rate segments classified by job category and compensation level, thereby improving efficiency. The number of job openings acquired in the second quarter was 973, up 10.6% year-on-year.

As mentioned above, the number of new registrants (excluding reactivations) temporarily declined from the summer of the previous fiscal year, showing an unusual trend compared to prior years. However, through countermeasures against the effects of generative AI, targeted brand-recognition initiatives by segment, and enhanced collaboration with "Manegy," the company successfully shifted the trend and achieved a high level of efficient registrant acquisition this fiscal year. The number of registrants in key high-placement segments exceeded the level of the same period last year, reaching 1,528 (+4.6% YoY) in the second quarter.

-Business Media Service "Manegy" overview

Revenue for the Business Media Service "Manegy" in the second quarter was ¥64 million, up 19.6% from the previous quarter, marking the second consecutive quarter of revenue growth. Cumulative revenue for the first half reached ¥119 million.

Amid a post-COVID environment where lead generation efficiency among tech companies has declined, we plan to launch a new communication-based advertising model—similar to the MR field in healthcare—in the second half, in addition to the existing lead-provision model. For the full year, we aim to achieve revenue growth of ¥259 million (+5.3% YoY).

Meanwhile, revenue attributable to Manegy members in the HR business (based on identifiable data only) totaled ¥735 million for the full previous fiscal year, continuing to play a core role in maintaining our competitive advantage and high profitability despite rising job seeker marketing costs. Cumulative revenue for the first half was ¥364 million, nearly unchanged from the previous year. Including conversions from non-login, unidentifiable members, the platform has contributed to a substantial number of new registrant acquisitions.

To further increase Manegy's active user rate, we are developing a new app that aligns closely with the above communication-based advertising model. Beyond its revenue contribution, this business has evolved into a highly leverageable asset for the company's next stage of growth. We will further accelerate our data strategy centered on DMP (Data Management Platform) as a core component of this initiative.

-Direct Recruitment Service "MS Jobs" overview

Cumulative revenue for the Direct Recruitment business in the second quarter was ¥53 million. As the business does not conduct its own job seeker marketing separately from the recruiting agency segment, the increase in placements through the agency business affected the result.

Amid a continued seller's market and ongoing hiring difficulties, the number of job openings increased steadily. At the end of September, the number of active listings reached 8,466, up 14.0% year-on-year, as the company simultaneously refined job postings with lower placement rates.

The number of new registrants for the Scout Service during the second quarter was 3,494, up 13.4% quarter-on-quarter, reflecting strong acquisition performance. The AI-powered matching module, which has completed development, is improving its matching accuracy through test operations and is now being fully implemented into the user interface this fiscal year. The company aims to enhance placement rates through the use of the AI consultant.

-Overseas Recruitment Service overview

Despite a challenging macroeconomic environment, the Australian business achieved revenue growth of 7.7% on an AUD basis. However, operating profit declined by 7.2% due to an increase in the proportion of temporary staffing revenue within total sales. The number of active temporary workers has remained solid, consistently contributing to cash generation since the acquisition.

-Cost of Sales and SG&A expenses overview **(Unit: million Yen)**

	Six Months Ended Sep 30		
	FY25	FY26	Growth %
SG&A Total	**2,173**	**2,137**	**(1.7%)**
Marketing related expenses	330	335	1.3%
Personnel expenses	589	626	6.3%
Depreciation	49	50	1.1%
Office Rent	99	89	(10.1%)
Other expenses	389	374	(3.9%)
Expenses overseas	556	513	(7.6%)
Goodwill amortization	158	148	(6.2%)

-Marketing Expenses

Marketing expenses increased slightly by 1.3% year-on-year, remaining almost at the same level as the previous period. The total number of new registrants remained nearly flat compared to the previous period, at 8,526 (–6.6% YoY). However, the number of registrants in job categories with a high volume of openings increased to 2,986 (+3.5% YoY). Leveraging our competitive advantages—such as the referral effect from the Manegy media business—we successfully acquired registrants in key segments.

-Personnel Expenses

Personnel expenses increased due to an average increase of 11 employees compared to the same period last year, primarily from aggressive hiring in the first half of the previous fiscal year to address a labor shortage.

-Rent

Rent decreased due to the consolidation of the Yokohama branch.

-Other Expenses

Other expenses primarily decreased due to a reduction in outsourcing costs and temporary staffing expenses, such as those related to the PMI of the overseas subsidiary.

-Overseas SG&A

SG&A for the overseas subsidiary is primarily related to employee personnel expenses.

-Goodwill Amortization

Goodwill amortization expenses arose from the acquisition of the Australian subsidiary (calculated at an average exchange rate of ¥94.08 for the period).

-Balance Sheet overview (Unit: million Yen)

The equity ratio continues to be maintained at a high level.

	FY 25 (31 Mar 2025)	FY 26 (30 Sep 2025)
Current assets	5,778	5,130
Non-currents assets	5,063	4,899
Total assets	10,841	10,030
Liabilities	1,067	1,108
Net assets	9,773	8,921
Equity ratio	89.2%	87.9%

-Capital Allocation Policy (Unchanged from the Annual Financial Summary Announcement)

The company's policy is to maintain a stable dividend supported by operating cash flow (approximately ¥1.5 billion in FY2025) while actively reinvesting for future growth. This includes using cash generated from profit growth and existing cash reserves (approximately ¥7 billion in cash and cash equivalents at the end of FY2025) for growth investments. These investments will target existing businesses (¥100 million to ¥300 million), as well as M&A and new business opportunities to further enhance long-term value.

With a high equity ratio of 89.2%, the current level of retained earnings on the balance sheet is considered sufficient, providing a strong financial foundation. The company remains committed to balancing shareholder returns and growth investments, efficiently deploying excess cash to drive sustainable growth while maintaining financial flexibility.

-Shareholder Return Policy

Our company has adopted JGAAP (Japanese Generally Accepted Accounting Principles), and as a result, our dividend payout ratio has exceeded 100% due to the amortization of goodwill associated with M&A activities, which is deducted from our accounting profit. However, our ability to generate operating cash flow, which is an indicator of cash-generating capacity, remains stable. Since the dividends are fully covered by operating cash flow, there are no issues with our business operations or financial management. We will continue to maintain a shareholder return policy based on cash flow while keeping in mind future profit growth both domestically and internationally.